



Weekly Briefing

Bosnia-Herzegovina economy briefing:
Sarajevo Business Forum: Constantly looking for opportunities
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Sarajevo Business Forum: Constantly looking for opportunities

Summary

The capital of Bosnia and Herzegovina, after a two-year break, hosted the Sarajevo Business Forum. It is primarily an economic gathering of international investment character organized by Bosnia Bank International (BBI) together with shareholders: Islamic Development Bank (IsDB), Dubai Islamic Bank (DIB) and Abu Dhabi Islamic Bank (ADIB). SBF is sponsored by the Presidency of BiH and the Ministry of Economy of Sarajevo Canton. This is the eleventh SBF that has opened its doors to visitors and distinguished guests from Europe and Islamic countries with which the organizer maintains business relations. The topic of this year's Forum is "Nearshoring - a perspective for the region", such is the possibility of reallocating the production capacities of European companies in Bosnia and Herzegovina and the countries of the region. After two days of activities, the organizers say they are satisfied, counting visitors, making business contacts, but also analyst analyze messages sent by high officials from this gathering.

Introduction

Around 1,500 local, regional and international government and ministry representatives, as well as business entities from nearly 40 countries around the world participated in the 11th SBF. This year, a record number of projects was submitted. During the two-day business-investment conference, along with panels and roundtables, more than 300 project presentations and B2B meetings were held¹.

According to the established practice, SBF started with a formal reception at the City Hall hosted by the Mayor of Sarajevo Benjamina Karić and the President of the Board of BBI Alek Bakalović.

¹ Political stability and economic cooperation as a prerequisite for investments.
<https://www.sarajevobusinessforum.com/en/news/2245/political-stability-and-economic-cooperation-as-a-prerequisite-for-investments>

Ready for new investments

In her introductory address, Mayor Karić stated that Sarajevo, as well as whole of BiH, offers many business opportunities. Mayor said Sarajevo is a place of rapid economic growth, which creates a place suitable for business and business meetings². She added that BiH has a lot of talented and capable people who create unique projects and products. The city administration is working on attracting new investments and creating new jobs, but also creating an attractive tourist destination. It is encouraging to know that Sarajevo and BiH have so many influential people from the world of politics and business, said Mayor Karić, wishing SBF continue strengthen ties, both business and political.³

The President of the Board of BBI Directors, Alek Bakalović, during welcoming speech said that this year's SBF exceeded expectations and plans. A record number of projects has been reported, confirming that the region is ready for new foreign investments⁴.

A day later, on May 11, in the building of the Parliament of Bosnia and Herzegovina, SBF was opened officially. The Forum was opened by the member of the Presidency of Bosnia and Herzegovina, Željko Komšić. He expressed the need for political and business cooperation of the countries in the region. He said the entire region has to overcome the irrational political aspirations of destabilization and turn towards the future. The only path that imposes itself is one of regional cooperation, in order to reach the road to the European Union, he said. Komšić express his belief that this region can be a bridge between the big markets of Europe and Asia.

² This performance of the mayor was greeted critically in certain circles. *Dnevni avaz*, a newspaper close to the party Alliance for a Better Future (*Savez za bolju budućnost* - SBB), strongly criticized Karic that she was telling lies because there were no serious city roads in Sarajevo, no major investments, no major investments, no major residential or business complexes garbage... As Karić incompetently lied in front of economic authorities. <https://avaz.ba/kantoni/sarajevo/741425/kako-je-karicka-nekompetentno-slagala-pred-ekonomskim-autoritetima>

³ A formal reception was held in the Sarajevo City Hall on the occasion of the 11th Sarajevo Business Forum. <https://www.sarajevobusinessforum.com/en/news/2244/a-formal-reception-was-held-in-the-sarajevo-city-hall-on-the-occasion-of-11th-sarajevo-business-forum>

⁴ Ibid.

Energy transition

"On the shared regional market, we already have common institutions. I invite the investors to, together with the institutions, participate in the energy transition", said BiH Presidency member Komšić⁵.

Minister of Economy of Canton Sarajevo Adnan Delić noted that SBF has established itself in the regional and world business community as the largest and most important business and investment forum in Southeast Europe.

"We are aware that the long-term and further growth and development of Canton Sarajevo and the county of BiH requires a healthy and strong economy based on the production and development of entrepreneurship, attracting investment, as well as establishing and strengthening public-private-partnerships (PPP). On these foundations, we want to build an economy that will be an example of a healthy and strong economy in our region", Minister Delić said⁶.

Among the international guests, the President of Slovenia Borut Pahor, the Minister of Trade of the Republic of Turkey Mehmet Mus, the European Union Special Representative for BiH Johann Sattler, the Minister of State for Industry, Investment and Development of the Entrepreneurship of the State of Malacca of Malaysia Rauf bin Yusof, and the Minister of Economy and Sustainable Development in the Government of the Republic of Croatia Davor Filipović.

Award for Nurkić

Johann Sattler, said the SBF has been a bridge of business partners in recent years and that an economic recovery followed after the pandemic. He said that nature and beauties continue to attract investors in Bosnia and Herzegovina. The wood, metal and food sectors can offer a lot when it comes to the concept of "nearshoring". "The EU is responsible for all matters of BiH and the region, and we need to think about how to take this opportunity, despite the

⁵ Political stability and economic cooperation as a prerequisite for investments.
<https://www.sarajevobusinessforum.com/en/news/2245/political-stability-and-economic-cooperation-as-a-prerequisite-for-investments>

⁶ *Ibid.*

disagreements and problems facing this country”, said the Head of the EU Delegation in BiH and EU Special Representative in BiH Johann Sattler⁷.

Among those who attracted special attention was the BiH basketball player who plays in the NBA, Jusuf Nurkić. He was awarded the "Sarajevo Business Bridge Awards 2022" for the best ambassador of Bosnia and Herzegovina, for which he especially thanked and said that BiH has many trump cards that the world must hear about. It is very important for the whole of BiH to invest so that the citizens have security and opportunity. I hope that the state will do something about it because reforms must come. The most important thing is to show the world the trump cards and wealth we have. I think our best asset is the people, he went through everything but we hope for the best", said Nurkić⁸.

In addition to the award given to Nurkić, the expert jury of SBF awarded the award for investment of the year to Paul Cronin, director of Eastern Mining, for outstanding business development, and the largest foreign investment in BiH. The company is investing \$ 250 million in the Vares project and over 450 new jobs⁹.

In the category New Business of the Year the winner was Boka place project by Porto Montenegro - Adriatic Marinas. The award for the Business of the Year was awarded to the Bosnian IT company “Ministry of Programming”, while “Lasta” from city Čapljina in Herzegovina company was chosen for the Business Move of the Year. The Social Impact Award was awarded to the Philanthropic Forum of BiH¹⁰.

Among the projects presented at SBF was a hotel and shopping center at Sarajevo Airport. This is a significant investment that would improve the quality of accommodation and tourist

⁷ *ibid.*

⁸ Nurkić received the SBF award for the best ambassador of BiH: Reforms must take place.
<https://www.klix.ba/biznis/privreda/nurkic-dobio-nagradu-sbf-a-za-najboljeg-ambasadora-bih-mora-doci-do-reformi/220511052>

⁹ Paul Cronin is the winner of the Sarajevo Business Forum's Investment of the Year award.
<https://www.klix.ba/biznis/paul-cronin-je-dobitnik-nagrade-za-investiciju-godine-sarajevo-business-foruma/220511091>

¹⁰ Prestigious “Sarajevo Business Bridge Awards 2022” awarded.
<https://www.sarajevobusinessforum.com/en/news/2246/prestigious-sarajevo-business-bridge-awards-2022-awarded>

offer in the immediate vicinity of Sarajevo Airport. According to the project description, the estimated value of the investment is 27.5 million KM¹¹.

On the first day of the SBF, the focus was on economic recovery after the pandemic. Stjepan Mesić, former President of the Republic of Croatia, Zoran Zaev, former Prime Minister of the Republic of Northern Macedonia, Šekib Avdagić, President of the Istanbul Chamber of Commerce (ITO), Ahmet Albayrak, Executive Vice President of Kuveyt Turk Bank, and Sandrine Friscia, Representative of European Investment Banks for BiH and Macedonia, shared their opinions.

Cultural similarities

On the second day of the SBF, new opportunities for regional businesswomen were discussed. It was opened by Chris Barton, the United Kingdom (UK) Trade Commissioner for Europe, who said that the whole world is focused on launching new investments, economic recovery and raising the economic standard¹².

The potentials of nearshoring in the Western Balkans were presented in a study by the Vienna Institute for International Economic Studies. Sophia Kluge, coordinator of the Western Balkans Chamber Partnership, said in her presentation that nearshoring is the driving force after the pandemic. German investors choose the countries of the Western Balkans for product allocation, the advantages are geographical proximity, low total labor and educated workforce, but also cultural similarities and low tax rates¹³.

Amra Šurković, Director of the Representation of the German Economy in BiH (AHK BiH), presented the experiences of German companies during and after the pandemic, emphasizing that the interest of German companies is great, especially for the metal and wood industry and energy sector¹⁴.

¹¹ The project of a hotel and a shopping center at the Sarajevo airport was presented.

<https://avaz.ba/vijesti/biznis/742024/predstavljen-projekt-hotela-i-soping-centra-na-sarajevskom-aerodromu>

¹² BiH is the most exciting destination to visit, but also the best address for foreign investors.

<https://www.sarajevobusinessforum.com/bs-Latn-BA/news/2249/bih-je-najzubudljivija-destinacija-za-posjetiti-ali-i-najbolja-adresa-za-strane-investitore>

¹³ *Ibid.*

¹⁴ *Ibid.*

On the second day of the 11th SBF, in cooperation with the USAID Sustainable Tourism Development Project in Bosnia and Herzegovina, a panel "The Power of Tourism in Stimulating Economic Growth" was organized. The panelists spoke about best international practices and discussed local initiatives to launch investments in tourism, growth and development, and industry in BiH with the aim of positioning the country as a globally competitive tourist destination. David Goodger, director of Tourism Economics, said that BiH attracts a large number of tourists, mostly tourists from China and Saudi Arabia, and that in the next three years, vacation travel will dominate over business travel¹⁵.

At the end of the second day of the 11th Sarajevo Business Forum, the role of Islamic finance in achieving the goals of sustainable development was discussed. At that panel, Sahba Sobhani, director of the UNDP IICPSD in Turkey, said climate change is a current topic today and it is known that at least \$ 23 trillion will be invested in renewable energy sources¹⁶.

Conclusion

During the two days of SBF, the organizers calculated, 313 projects were presented and more than 400 B2B meetings were held. This year's SBF was attended by more than 240 media representatives from countries in the region and the world. SBF has established itself as definitely the most important economic conference in Sarajevo, with always a quality selection of relevant guests who come from both the world of business and politics. The organizer of SBF, BBI Bank International, has managed to impose itself as a local player in the BiH market, of all banks with probably the strongest ties in the Islamic world, from Malaysia to Saudi Arabia. Also, the presence of EU institutions and companies from EU countries shows that there is some potential for the development of BiH, and where there is potential there will be interest.

¹⁵ *Ibid.*

¹⁶ Islamic finance has an irreplaceable role in achieving the goals of sustainable development.
<https://www.sarajevobusinessforum.com/bs-Latn-BA/news/2251/islamske-finansije-imaju-nezamjenjivu-ulogu-u-postizanju-ciljeva-odrzivog-razvoja>